



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

March 9, 1998

Permian Resources, Inc.  
P. O. Box 590  
Midland, Texas 79702-0590  
Attention: Robert Marshall

*Administrative Order NSP-1785(L)*

Dear Mr. Marshall:

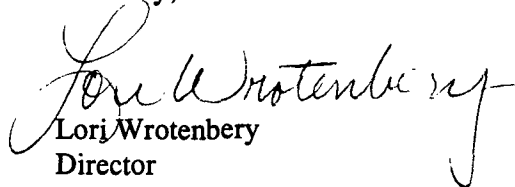
Reference is made to: (i) Mr. Robert Marshall's original application to the Division, dated January 15, 1998; (ii) Mr. Marshall's telephone conversation with Michael E. Stogner, Engineer with the New Mexico Oil Conservation Division on February 9, 1998; (iii) Mr. Marshall's subsequent correspondence concerning this matter dated February 16, and February 27, 1998; and, (iv) the records of the Division in Santa Fe: all of which refer to Permian Resources, Inc.'s request for a 120-acre non-standard gas spacing and proration unit ("GPU") consisting of the following acreage in the Jalmat Gas Pool:

LEA COUNTY, NEW MEXICO  
TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM  
Section 27: NE/4 SE/4 and S/2 SE/4.

It is my understanding that this unit is to be dedicated to the existing Carlson "B-27" Well No. 2 (API No. 30-025-11809), located at an unorthodox Jalmat gas well location 2310 feet from the South line and 330 feet from the East line (Unit I) of said Section 27.

By authority granted me under the provisions of Rule 2(d) of the "General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Jalmat Gas Pool," as promulgated by Division Order No. R-8170, as amended, the above-described non-standard 120-acre GPU and unorthodox gas well location of the Carlson "B-27" Well No. 2 are hereby approved.

Sincerely,

  
Lori Wrotenbery  
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs  
U. S. Bureau of Land Management - Carlsbad